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AND

IDEAL SOCIALISM

J. SHIELD NICHOLSON.

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AND

IDEAL SOCIALISM

AN EVENING DISCOURSE

DELIVERED TO THE BRITISH ASSOCIATION AT OXFORD
IN THE SHELDONIAN THEATRE, 13TH AUGUST 1894

BY

J. SHIELD NICHOLSON, M.A., D.Sc.

PROFESSOR OF POLITICAL ECONOMY IN THE UNIVERSITY OF EDINBURGH

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ERRATA

Page 38, line 14, *read* "expansion" *for* "contraction."
,, 53, line 1, *delete* comma *after* "abandon."

The present, I believe, is the first occasion on which the section of Economics and Statistics has been called upon for one of the evening discourses. The choice is peculiarly appropriate to the place of meeting; for in this ancient University the in-

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Rel. a.v. 6-6-28 M.V.P.

fluence of Aristotle, the father of Economics, is still a living force; and it is so for this reason mainly or only,—because he showed the way to apply scientific methods to the creature he called the political animal by nature, and he studied the civil societies of mankind with the same fearlessness of pure intellect that he gave to the beasts of the field or the stars of heaven. And that is the essence of all science, fearlessness of intellect. With the history of science before us we may convert the old proposition, that courage depends on knowledge, into the new proposition, that knowledge depends on courage. There was a time when it needed courage to dissect a dead body or to describe the motion of the earth. In our own time it is in the social sciences that there is most need to emphasise this fear-

lessness of knowledge. It seems a bold thing to run counter to the newest popular opinion on the social and economic questions of the day, and reckless audacity to assert that an old opinion is the better.

Not only is the choice of an economic subject appropriate to the place of meeting but also to the time. For science, if science may be spoken of as a personality, has begun to weary of measuring only dead matter and the lower stages of life, and longs to turn again to the fields of her youth and watch the growth and decay of the endless varieties of the mental activity of mankind.

But although time and place seem to justify the choice of an economic subject, a doubt may well arise if it can be made sufficiently popular for the purpose. And

the consciousness of this doubt makes a difficult task more difficult. There is no aid to be obtained from slides or specimens, from flames or explosions : nothing but words, and these not even technical. Worst of all, from the point of view of popularity, my theme will seem to lack novelty and my argument to be unfashionable ; for my endeavour will be to treat what may be termed the popular myths of the future in the same way as historians have treated the popular legends of the past. And it is a remarkable fact that the age which has witnessed, with equanimity and even with pleasure, the reversal of the process of the deification of the heroes, and the total destruction of the golden age of a state of nature, cannot bear to have the same cold reasoning applied to the future. To assert

that Moses and the prophets were imaginary or at best imaginative poets, that is both scientific and fashionable; but to deny that Karl Marx and his followers are true prophets, that is both unscientific and unfashionable.

The Great Wave of Altruism

Without further apology I proceed to my task. My object is to test the ideal by the real, the possible future by the actual past. At once, however, the objection will be raised that at the end of the nineteenth century human nature and social arrangements are so different that the experience of the past is only curious by contrast. This alleged change in mankind,—or I should say highly civilised mankind, or

more precisely British mankind, — is described in the current nineteenth-century Latin as a change from egoism to altruism. "Nothing" says our latest philosophical celebrity[1] "can be more out of place than comparisons which are instituted between society one hundred years ago and at the present time. We have little in common with the past. It may be searched in vain for any clue to the solution of the problems which confront us in the future. Social forces, new, strange, and altogether immeasurable, have been released among us." And if we inquire more particularly we learn that "the close of this century is marked by an extraordinary development of the humanitarian feelings," and that "the altruistic feelings have attained a develop-

[1] Mr. Kidd's *Social Evolution.*

ment previously unexampled in the history of the race." Other writers speak of the great wave of altruism, which, like a wave of heat, has warmed equally and impartially the masses and the classes—the just and the unjust.

The latest translation of the word altruism is, I believe, "the struggle for the life of others,"[1] but perhaps the best and simplest is "brotherly kindness." I would invite you to notice some of the evidence as to the growth of this feeling that has strangely escaped attention. What is the greatest evil from which Europe is suffering —an evil that has been steadily increasing during the present generation? It is unquestionably the vast armaments, and the compulsory conscription of millions of men.

[1] Professor Drummond's *Ascent of Man.*

If altruism means brotherly love, it can hardly also mean militarism. Europe stands in yearly expectation of the greatest war that ever occurred. Does that look as if the next century would begin with a new form of altruistic human nature?

Take our own country: we are forced by this extraordinary development of humanitarianism — this competition in brotherly kindness—to increase our navy to an unprecedented extent, and when we come to find the means it is with the greatest difficulty that the most altruistic government of the century can persuade the most altruistic people of the world to pay a fraction of a farthing more for a glass of beer, or submit to an equivalent displacement of water.

Next to the vast preparations for war,

perhaps the most characteristic feature of our generation is to be found in the dissensions between labour and capital, as shown in our own great coal strike last year, and the still greater railway strike in America last month.

The real altruism that will stand the monetary test as distinct from the formal expression of distinguished consideration seems to consist, in this as in other ages, not so much in a struggle for the life of others as in a struggle for the property of others.

So much then for the height and the depth of the great altruistic wave. It reminds me of the waves encountered by the pious Æneas in the middle of the Mediterranean, which were so high that they besprinkled the stars, and so deep that the

affrighted mariners saw the floor of the ocean—

> "These ride on waves sublime: those see the ground
> Low in the boiling deeps and dark profound."

But these were waves of the poetical imagination, and of such sort is the great wave of altruism.

It would be easy to accumulate evidence both from the past and the present to show that neither intellectually nor morally has human nature, in the present generation or the present century, changed to such an extent that we cannot use the interpretation of the past for the anticipation of the future. We must, of course, allow for changes in circumstances; but if we find that certain great forces in the past have made for the progress, and other forces for the decay, of nations, we may be toler-

ably certain, in the near future, of this result at least, namely, that the same causes will not produce the opposite effects.

Let me now state, in the simplest form, my leading contention. I shall try to show that the ideal of socialism is to give the fullest play to those forces which in the past have caused the decay or ruin of nations, and to check those forces which have been the life and soul of progress.

The Reality of Economic Progress.

But my opponents will say: Your ideas of progress are not ours, and your thoughts are not our thoughts: what you call decay we call growth, and what you call progress we call retrogression. To some extent this objection is valid, but so far as it is valid I

shall evade it. For I shall only take those elements in progress about which there can be no dispute. The progress we are concerned with is economic or industrial progress. There is no need for any nicety of definition. Look at the broadest aspects. If man conquers nature there is progress; if nature conquers man there is death. We are often told to admire the effects of natural selection, and to wonder at the survival of the fittest in the numberless species and varieties of plant and animal life. Leave out man, and what do we find? Countless centuries, millions of years, of natural selection have covered the most life-abounding portions of the earth with tangled jungles and impenetrable forests. And with what creatures are they peopled? Is it only the fittest that survive? The

truth is, that we find packed and crowded together at the same time, in the same place, every variety of life, from the invisible germs that make the pestilence, up through every gradation of parasite and devourer and devoured, to the creature that comes nearest to a caricature of man.

Now consider the economic progress of mankind in a comparatively short historical period, say, some seventy generations of man. Let biology and geology make for you a picture of England before the Roman invasion with its swamps and wastes and forests, and with that picture in your mind pass through the length and breadth of the land to-day. Stagnant fens have been drained, crooked rivers made straight, forests uprooted, and wastes cultivated; plants and animals are those of man's

choice, and if here and there there remains a portion of the old order undisturbed—a few miles of heath or woodland—it is solely for his caprice or delectation. The very surface of the land presents a different aspect, with its villages and cities knit together by broken stone and welded iron, and if you look more narrowly you will find that the actual necessaries of existence are drawn by man's hand from the ends of the earth.

With such a contrast before you it is impossible to question the reality of economic progress; but take for a background the fertile plains of Asia and Africa, and see how gardens have been turned into wildernesses, and great cities into quarries. Nature has reconquered its domain: and why? Because for the economic forces

that make for progress man has substituted or admitted those that make for destruction; the surrender has been due, not to an overpowering outburst of the violence of nature, but to the betrayal of man by man.

Let me now, with the light of these illustrations thrown upon it, repeat my main contention. I shall try to show that socialism looks for its achievement to a reversal of the processes of industrial evolution: it seeks to repress the forces that have made for development, and to give full scope to those that have led to degeneration.

Economics and Biology

I have used the favourite terminology of the day in stating the contrast between

real progress and ideal socialism, not because I suppose it will really make the subject more clear or seem more scientific, but for the very opposite reason—namely, to point out the danger of applying the conceptions that are appropriate to one science to a science that is essentially different.

We have been told recently that political economy must be reconstructed in the light of the Darwinian theory. That theory has revolutionised the sciences that deal with animal life, political economy deals with man, man is an animal—and the conclusion is obvious—political economy must be revolutionised.

Now, I venture to say, so far from this being the case, the Darwinian theory, even as a guiding hypothesis, is altogether

inadequate and inappropriate in tracing the industrial or economic progress of mankind; not only is it not sufficient, but it is misleading.

I have already called attention to the contrast between the progress of mankind in a few centuries, and that of other forms of life in a period that can only be reckoned by geological ages. The difference is so startling that we may naturally expect to discover different principles at work in the two cases, or at the least to find that in the case of man new forces have come into play. If then we are forced to believe that the progress of animal and plant life—if that can be called progress which results in the fantastic anarchy of an impenetrable forest—must be ascribed to the struggle for existence, to perpetual war, to reckless dis-

regard of life, and a consequent survival of the fittest,—if this is the principle of pre-historic animal progress we ought to expect something different in the progress of civilised mankind. And strange as it may seem to those who have supposed that the Darwinian theory can be applied without modification or addition to the political animal as to others, the moving principle of industrial progress is not to be found in an unceasing and bitter struggle of this kind. Do not be deceived by words: translate, when you transfer them to man, the principles of biological development into plain English. The mere change of language will almost suffice to show the nature of the difference. Will any one maintain that we are to look for the real causes of economic progress to robbery and

pillage, to murder and slaughter, or to the perpetual warfare of man with man, family with family, tribe with tribe, and nation with nation? On the contrary, is it not manifest that industrial progress — the foundation of all civilisation—has advanced in proportion to the suppression of these animal instincts and the substitution for them of propensities and practices peculiar to man?

Nor can competition be properly described as the economic form of this struggle — because it rests upon security and works by bargaining and contract. The analogy with the struggle for existence is to be found much more in combinations than in competition, as, for example, in Trade Unions that exclude the weaker workers, and are essentially fighting organ-

isations. The essence of competition, as illustrated in a highly organised market, is that the price will be so adjusted that at that price the supply will be carried off. If wages be considered as the price of labour, one principal object of Trade Unions is to prevent competition from lowering the price; but this prevention means exclusion, and exclusion means to the excluded a struggle for existence.

It is, however, in the principle of heredity and the effects of variation that we observe the most startling differences. The offspring of man, like that of other animals, is no doubt influenced or even determined by heredity, but this hereditary influence affects individuals only. And industrial progress has consisted to a very small extent in the improvement of the natural

qualities of the individual types of workers —taking the word in its broadest sense, and including the highest as well as the lowest—the workers with brain as well as the workers with hand. The medieval man, as man—the world was recently told from this very place by a very fine judge of mankind[1] — was perhaps superior to his modern descendant. And yet it is precisely because man makes use of the accumulated wisdom of his ancestors, and generation by generation adds to it, that industrial progress is possible. But this wisdom and the additions to it are not passed from parent to child in the texture of the brain or the form of the hand. Once an idea has been set in speech it is free to all who have ears to hear, and once an invention has been

[1] Mr. Gladstone's *Romanes Lecture.*

shaped in matter it is free to all who have eyes to see.

And thus a variation in the direction of progress, instead of having to trust to the remote chance of transmission by individual inheritance, passes at once into the inheritance of mankind; a new idea is not, as with some slight improvement in animal mechanism, transmitted as a potential capability only to the children of the inventor, but at once vibrates through space and time, and wherever it finds an understanding quickens it in unison.

That is the reason why the progress of mankind is immeasurably more rapid than that of the animal world and advances with an increasing rate of acceleration. And thus we arrive at the astounding result that, within a limited period, there may be in-

dustrial progress to an indefinite extent, whilst the individuals who take part in it, or effect that progress, remain in mind and body practically stationary.

Consider the difference in a concrete case. A century of natural selection—three generations of the race of savage man—would not increase to a degree that could be measured the acuteness of his sight to discern danger or his power of voice or speech to warn his fellows. A century of prehistoric time, judged by its effects, is as momentary as in the distance it appears to our imagination. But in this present century—in three generations—civilised man has learned to see, or must I say perceive? the metals in a planet and the germs in a disease; and, as if time and space were not, to hold counsel with his

fellows on the other side of the world.

It is surely unscientific to search for the explanation of this progress that is peculiar to man, in which the improvement of the individual counts for so little, in the principles of the progress of animals, in which the improvement of the individual counts for everything.

There is a sense or rather there are many senses in which we may speak of industrial evolution, but we cannot discover the processes of that evolution by drawing superficial analogies from plants and animals. It sounds very well to say that the State is an organism, and therefore must obey the laws of organic growth; but so far from this being the latest product of modern science, it is merely a simile which has been used from the most ancient times, and has

given rise to more fallacies—possibly owing to its frequency—than any other analogy. True science, as you all know in your own special departments, cannot dispense with special evidence. Can you deduce the development of a frog or of a black beetle from the general laws of organic growth? On the contrary, do they not demand the work of hundreds of observers; and do you imagine that the societies of mankind can be explained by this easy appeal to first principles? Science would degenerate into mere rhetoric if once it were thought that special evidence was not needed for different departments. If you are sufficiently vague you can make this easy method of analogy prove anything. If you want to prove that the capitalist is an evil, compare him to the boa-constrictor that swallows the labouring

ox; and if you want to prove him a blessing, call him the sheep that is shorn by the labouring man. One simile is as good as another for its purpose, and both are better than an appeal to the first principles of organic growth, and the latest theories of Weismann on the games of chance played with one another by hypothetical germs.

In the industrial world, as in other departments of nature, animate and inanimate, we must proceed step by step, and fact by fact, and not by the easy method of anticipation by analogy and desire. We need, it is true, as in every other science, guiding hypotheses; but the results obtained must be constantly verified by an appeal to facts. If the appeal is confirmed, the hypothesis becomes a law or a generalisation in the same way as in any other science.

I proceed to consider some of the generalisations made by economists in this way on the industrial progress of mankind, and to contrast them with the proposals of the socialists.

Socialism and Taxation

In order to emphasise the difference between the appeal to actual historical progress and to the vague analogies derived from evolution in general, I will begin with one of the causes of the decay and even of the destruction of nations in which the facts are unquestionable and are yet peculiar to man.

The cause I mean is simply excessive taxation. The mere word is enough to show that we have taken the plunge from the general into the particular. If taxes

are not facts, then there are not, and there never have been, any facts within the ken of man. No subject is better adapted for scientific research; materials may be drawn from every time and place; if in the language of logicians to be taxed is not of the essence of civilised man, at any rate it is an inseparable accident.

I would cordially recommend the evolutionist in search of new fields and prepared to work at them, to trace the origin, development, multiplication, and decay of taxes. He could, if he chose, introduce all his favourite biological expressions, and he would find the old taxes quite as interesting as fossils, and the study of new ones more interesting than vivisection.

By taxation, broadly speaking, we mean the share taken by the Government of the

wealth of the nation. It is most important to look beneath the surface, and not to be deceived by words. A favourite device of all governments is to call taxes by some less offensive name. The Government of the great French Revolution decided that taxes or imposts (*impôts*), as they were called, were only exacted by tyrants, and they proposed therefore to call the payments made by free citizens contributions. Our own kings called taxes benevolences—a still prettier word. But names make no difference to things; and whether the burdens of the State take the form of land revenues, or compulsory military service, or forced labour, or tithes of produce, or fifteenths of property, or all or any of them at once, whenever these burdens get beyond a certain amount it means nothing less than

the ruin of the nation. The examples are so numerous that it seems useless to cite any. By excessive taxation Rome ruined her provinces and shattered her empire; France accumulated the miseries that broke into the great Revolution; Turkey laid waste the most fertile regions of the earth. At this moment Italy is smouldering with discontent, and even the vigorous colonies of Australia feel their progress checked through the immoderate expenditure of the State. It is true that the evils of excessive taxation are to some extent mitigated if the proceeds are spent for the apparent good of the people—for education, secular and religious, for the relief of the poor, for the employment of the unemployed, or for national defence. But although the evil may be mitigated, all history shows

that, for whatever purpose taxes are imposed, there is a limit beyond which there is a rapid fall through decay to destruction.

So much for the reality of one of the great causes of the degradation of nations. Now consider the contrast offered by ideal socialism. Stripped of all disguise, the very object of socialism is to impose taxes beyond the limit ever yet attempted by the rapacity and audacity of governments. Instead of a land tax, the State is to seize the land itself; instead of paltry death duties on capital, it is to take the capital itself; and from the incomes that pay income tax, instead of taking a miserable eightpence, it is to take twenty shillings in the pound.

Perhaps it may seem strange—I sincerely hope it may, for familiarity is the bane of

critical insight—it may seem strange to speak of socialism in terms of taxation.

It seems so simple, so pleasant, so nice, to think of the State owning all the land and capital and distributing the proceeds according to needs or deserts, and it looks as if we had got rid of taxation altogether. In reality on this system—expressed in terms of taxes—every one might be said to pay away all his earnings as poor rates, and receive an allowance of out-door relief.

But whatever might be the final result, there is no doubt about the period of transition from the present system to the ideal. If in the meantime socialism is to be regarded as a tendency—as a guide to political action—it can only operate through increasing as rapidly and as much as possible the taxes on land and capital, and

the higher forms of professional income. No better device could be imagined for checking industrial progress, as is proved by the history of every country. It would be to introduce a creeping paralysis; and, when the time was considered ripe for taking over the land and capital, the land would be a wilderness, and the capital old iron.

Surely there never was a better instance of the disregard of the teaching of history, and never a better illustration of the extraordinary flexibility of language and its wonderful power in disguising thoughts, than that people should be found to set up as an ideal, excessive, all-absorbing taxation, and describe it in glowing terms as the latest and greatest mode of philanthropy.

Socialism and Exchange

I have already insisted at some length that we must expect to find the roots of industrial development in the propensities and practices peculiar to man.

Amongst these propensities is one which Adam Smith calls "the propensity to truck, barter, and exchange one thing for another." "It is," he goes on to say, "common to all men, and to be found in no other race of animals, which seem to know neither this nor any other species of contracts." And then, by way of illustration, he observes that "nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog." As thus stated, the difference between man and other races of animals may seem a mere curiosity, but

it is a curiosity that on examination proves to be one of the principal factors in industrial progress. To trace its development would be to trace the history of civilisation. It is part, and a principal part, of the great movement from status to contract. By a series of struggles against custom, superstition, and authority of endless varieties, and by numberless trials of tentative processes, exchange in the most advanced communities has come to be the fundamental principle in the production and in the distribution of wealth. The expenditure of a workman's wages is the last of an infinite series of complex bargains and exchanges, which provide him with the necessaries and comforts of life. It would be impossible to estimate the number of exchanges involved in the

daily production of a great industrial nation.

And similarly as regards the distribution of wealth, the principle of exchange of services has gradually overpowered or suppressed other principles. The share of an animal in the feast of nature is as much as it can grab, the share of a man in the annual produce of society is as much as he can bargain for.

The only difficulty in realising the magnitude of this peculiarly human propensity is its familiarity, and to dispel that familiarity we must appeal to history, and to history written in such detail as alone can recall the life of the past.

Again I would invite the evolutionist to study the actual developments of markets, of foreign trade, and of the substitution of

money rents for rents in labour and in produce, and of money wages for various kinds of serfdom.

Merely by way of example let me illustrate the enormous development of the principle of exchange by two statements. About the time of the Norman Conquest one of the principal imports—so great as to be a considerable part of the whole—was the bones and other relics of saints. That gives you some idea of the progress of foreign trade. At the same time the chief and almost the only industry of importance was agriculture, and the mass of the people were in serfdom or some other form of bondage. That gives you some idea of the progress in the exchange of services.

But it is useless to attempt to illustrate so vast a subject, and it ought to be need-

less. So fundamental is exchange that the political economy which deals mainly with modern societies is forced to make exchange the leading principle throughout, and historically one of the best marks of the stage of development of a nation is the degree of the organisation of its exchange, applying the term in its widest sense to labour of all kinds as well as to commodities.

Industrial progress has been marked by a constant contraction of the sphere of imperative law or equally imperative custom, and by a constant ~~contraction~~ expansion of the sphere of freedom of contract, and especially freedom of exchange.

And yet, here again, ideal socialism not merely underrates or ignores, but seeks to repress and destroy this vital principle.

The very essence of socialism is the abolition of exchange. So far is this idea pushed, and so complete is this abolition to be made, that the use of any form of money is to be abandoned, and production and distribution alike are to be determined, not by contract, by bargain, by exchange, but by authority.

Socialism and Liberty

The substitution of authority for freedom of contract deserves a closer examination with respect to labour, taking the term in its widest sense, for expressed in other words it involves the whole question of personal liberty. Industrial liberty is only part of that larger liberty which through centuries has been the motive power of

human progress, and in this island to a greater extent than in any other portion of the earth. Industrial liberty has advanced side by side with the destruction of political inequality, of religious intolerance, and of all kinds of antiquated laws and customs founded on privilege and prejudice. There is no great deed in our history in which the love of liberty did not bear a prominent part, and there is not one of our great poets who has not sung the praises of liberty. Liberty is the only justification, universally recognised by moralists and historians, of war, and the justification extends even to civil war; and it is through the wars and the civil wars of our forefathers that we are enabled to look upon liberty as the natural and inalienable inheritance of the race.

Now consider the attitude of socialism to liberty. Under the ideal of state socialism every one is to be compelled to labour, just as, under the present system, with few exceptions, every one capable of it does labour; the difference is that neither the task nor the wages will be a matter of choice or stipulation. But this is neither more nor less than a system of forced labour, and the best way to realise the nature of such a system is to call it by its proper name, and that is slavery. Slavery, like taxation, is not an attractive word, and to us is only suggestive of negroes and sugar-plantations, and perhaps it may be thought, as the socialists will be of a different colour, and have different occupations, they cannot properly be called slaves. Let us suppose then—for the absence of liberty

is certainly slavery of some kind—that the correct analogue of ideal socialism is not negro slavery, but one of those milder forms that prevailed in some of the nations of antiquity. In Greece and Rome not only was practically all industry carried on by slaves, but many slaves received the highest education in art, philosophy, and literature. Not only were they more valuable in consequence, but they often obtained the friendship of their masters. It is possible that, on the whole, domestic slavery yielded a very fair amount of happiness; it is certain that slaves often attained the highest moral dignity. Recall the instance given by the Roman historian of the slave who, when soldiers came to kill his master, boldly replied, "I am the man," and was slain forthwith. There you have a kind of altruism

which was well immortalised as a "noble lie."

But do you think that any strength of imagination, or any persuasiveness of words, could induce a people who had felt the benefits and the manliness of liberty again to submit to slavery in any shape or form? Do you think it would reconcile them if their masters were to be a central assembly elected by themselves, with committees and sub-committees *ad infinitum* until we reach the state-bailiffs, overseers, and managers chosen, we will suppose, by competitive examination?

The opposition between real progress and ideal socialism on this question of liberty cannot be shown by one example, or even by many. It is an opposition that is marked throughout. Slavery, large as it

looms before us, is but one example. Liberty is as essential to the reason as to the spirit of mankind. Every revolution in science, every radical invention in mechanical appliances, has, in the past, been opposed by some form of authority, if it be only that most deceptive but most oppressive of all—public opinion.

The progress of this century, whether in science or in industry, could never have been achieved but for the obstinate persistence of individuals against received and popular opinions. The introduction of railways and of machinery generally was assailed as fiercely as later on the Darwinian theory. Under the new socialistic regime how would the man be regarded by the authorities — for you cannot have the singular without the plural—who showed

that the labour of skilled workers might be dispensed with by some radical invention? Are these labourers alone to benefit? And if not, how is the fair share of the relief to be distributed throughout the nation? The truth is, that authority must work by routine, and if you upset the routine you upset the authority.

I must ask your indulgence for this extremely brief and inadequate treatment of a vital part of the question, but in every argument we must be allowed to take something for granted, and pass over lightly what is generally admitted. And in the middle of England, on the eve of the twentieth century, it is hardly necessary to do more than recall the incalculable benefits of freedom, with which the greatest names in our history and literature are associated.

Socialism and Security

There is perhaps only one other contrast between the real and the ideal which can fitly claim attention after those already noticed. If we were to try to express in one word the opposing principle in mankind to the struggle for existence in animals, the word best adapted is security—security for life person and property for one's self, and corresponding respect for the persons and wealth of others. Shake security, introduce the discord of the natural savage state, and industrial progress ceases; shatter security, and industry itself vanishes.

It is not necessary, for the purpose in hand, even to indicate how the absolute necessity of security to industrial progress

has been shown through the whole course of history, because it is contended that here at least the ideal corresponds with or even transcends the real. Are we not told that the very object of socialism is to put an end to competition and every other survival in man of the struggle for existence, and thus, if security is the opposite of this struggle, to increase security? The objection is plausible, but there are two conclusive answers. Let us grant that, once established, socialism, like other forms of government, would enforce security of some kind. But the vital question is, Of what kind?

There is a species of security that is afforded even by despotism; most republics have at times been obliged to choose a dictator. Custom also, which in unde-

veloped countries is more general and more powerful than law, affords a species of security that renders it possible to attain a certain standard of industrial prosperity. But the security that distinguishes the nations that have taken the lead in industrial progress is not the security of despotism or of custom; it is not the security of enforced obedience, but the security of liberty.

It is, however, too large an assumption to suppose that socialism is established. We must consider the effects on security in the period of transition from the present to the future system.

Now, for all its fair name, the road to socialism lies through anarchy. It is easy to speak of the state taking possession of all the land and capital of a country. The land of a country—even a country like

this—is held directly and indirectly by a large number of people; besides the nominal owners there are all sorts of interests. What is true of land is still more true of capital. Does any one suppose that the present owners will submit, without a struggle, to surrender their wealth to an assembly, constituted in any way you choose, simply because it calls itself the State? Thirty years ago the most advanced country in the world was plunged in civil war, simply because some of its component states would not surrender the ownership of their living capital. And only a few days ago the United States seemed to be threatened with a still worse civil war, because labour had taken only the first step towards the seizure or management of one form of dead capital.

In socialism, as in other things, it is true that extremes meet, and the extreme that socialism meets is anarchy.

Other Points of Contrast

The great principles I have brought under your notice are more than sufficient to show that socialism is not only undesirable but impossible. It would, however, be easy to extend the points of contrast between the real and its ideal counterpart.

The same reasoning which was applied to personal liberty might *mutatis mutandis* be applied to private property. The institution of private property, as it at present exists in the most civilised communities, is a remarkable instance of the substitution of individual for common ownership. It would

be absurd to attempt to compress a whole literature into a few sentences, and I shall only notice one broad feature of this mode of industrial progress. This disintegration of the tribal, the village, or the family communion of property was not due to the deliberate action of skilful and far-seeing legislators. The process began whilst law in its modern sense was in its infancy and utterly incapable of such an effort. It was coincident with the gradual assertion of the rights, the powers, and the interests of the individual. Legislation, when it became really effective, either recognised and assisted the movement, or else the laws were evaded until they were reformed. In England agrarian serfdom and cultivation in common were broken down in the middle ages by natural economic forces. In Ger-

many the separation of the noble land and the peasant land only took place in the present century, but the action of Government was forced by circumstances. I must not, however, be led aside into details, though the details are of such magnitude as to form the basis of the social history of nations. For the present purpose it is sufficient to notice that the substitution of collective for individual ownership is not simply to introduce one set of laws in place of another, but to run counter to the whole course of industrial progress in which legislation has been only one and not the most important factor.

Again, with reference to the limitation of governmental interferences, we might prove by a multitude of examples that, not of choice but of necessity, governments

have been forced to abandon, to contract large spheres of their former control partly because their energies were unequal to the task of keeping pace with the progress of mankind, and partly because the burden of their necessary functions had increased. And even at the present day the most advanced nations, in spite of the contraction of the sphere of imperative law and the devolution of governmental powers, cannot overtake the legislation that on all sides is admitted to be necessary.

And yet socialism proposes to throw on Governments — on representative Governments, which cannot do the work they ought to do—work, such as the regulation of wages and employment, which the history of civilisation shows they cannot do.

If these and other points of contrast

have been omitted, it is simply because the wealth of material is so great that it was necessary to make a choice. Socialism avowedly wishes to make an end of the present system, and as the present system is unquestionably the outcome of the growth of centuries, it is inevitable that on nearly all points of importance the ideal of the future should be opposed to the real of the past.

I have confined myself to a general treatment of the question because any real danger that there is in socialism lies, not in definite proposals—for they are constantly shifting and changing — but in the propagandism of principles opposed to all history amongst those who know no history whatever.

Nothing is more easy and more attract-

ive than gradually to increase the expenditure of the State on public schemes of all sorts, and nothing is more difficult and more distasteful than to retrace the steps. Nothing is more natural than that a majority should seek to coerce a minority, and to call in the aid of Government. The trade unions at present are rapidly advancing in the direction of asking for, and possibly acquiring, those monopolistic powers which destroyed the guilds. But if they attain these powers, before they are content to part with them trade unions may no longer be necessary, because there is no trade. And especially as regards security, destruction is easy and reconstruction most difficult. Only consider what happens in a commercial crisis when a single great firm cannot meet its liabilities. Look at

the liquidations that are still going on in consequence of the Baring crisis. Nothing is more sensitive than credit in all its forms and branches. The whole system is the result of centuries of growth, of slow, tentative processes, of experiments and failures.

There is not in the animal world anything more wonderful than the development of the present credit organisation of the commercial world. And to destroy this system would have the same effect as taking the nerves out of a living man.

Socialism and all the Virtues

The question, however, may be asked, If ideal socialism resolves itself into all-absorbing taxation and practical slavery, and if the road to its achievement lies

through anarchy, how do you account for the large following it has obtained? The answer, I conceive, is that the largeness of the following depends mainly upon the largeness in the interpretation of the word. Socialism claims for itself not only all the land and all the capital, but all the aspirations and all the virtues in the State. Every man with a spark of enthusiasm or philanthropy, if not a pure socialist, is a mixed socialist, or at any rate he is credited with socialist leanings. Does a man believe in Christian charity? He is a Christian socialist. In the religion of humanity? An agnostic socialist. In the democracy? A social democrat. Then you have the utilitarian socialists, with their greatest happiness of the greatest number; the labour socialists who want a living wage;

the revolutionary Socialists who long for the death of the present system, embracing the anarchist who is ready to bring it about quickly by violence, and the Fabian who patiently waits for suicide or death by natural causes; and, to summarise more rapidly, any one who approves of poor relief, or protection of children, or State education, or factory acts, in short, any one who looks to Government to do anything for the public good is set down as a socialist, or as one with leanings. In the enumeration of the socialist census the landlords and capitalists are, of course, left out as being prejudiced; and when the numbers are complete there remain on the other side a few malefactors, and the professors of orthodox political economy.

But in all seriousness, it is time to

protest against the preposterous notion that every reform in the interests of the masses or of the nation is an example of the socialistic tendencies of the age. The tendencies of this, as of every other age, are partly for good and partly for evil, and in both respects their roots stretch far into the past and into widely distant regions—the forests of Germany, the hills of Rome, and the acres of Palestine. The question the socialist ought to dare to answer is this: Does socialism mean reform, or does it mean revolution? It cannot mean both. Do you propose in the style of a Robespierre to confiscate the land itself, or in the style of a John Bright to reform the land laws? You cannot at the same time wear on the same head the red cap of anarchy and the broad brim of the Quaker,

though you may indeed change your head-gear according to your company.

It is time to protest also against the equally false idea that the political economy of Adam Smith and his successors consists of one maxim for the Government—"Do nothing," and of another for the governed—"Be selfish." No economist ever said, "Be selfish,"—least of all Adam Smith. This same Adam Smith wrote a great work on moral philosophy called *The Theory of Moral Sentiments.* And what do you suppose is the ethical standard, the test of good conduct, set up by this supposed teacher of pure selfishness? It is this—in his own words: "Those passions of human nature are to be approved of when the heart of every impartial spectator entirely sympathises with them, when every

indifferent bystander entirely enters into and goes along with them." In a word, the kernel of this elaborate system of morality is not selfishness, but sympathy. A strange contrast this to the moral sentiments of those leaders of the working classes who tell them they must make the public feel their power, must make the public suffer—the public, for the most part, being the wives and children of other workers.

Equally false is the "do nothing" maxim ascribed to political economists as the sole guide for governments. Because the socialists wish the State to do everything, they suppose or assert that we wish the State to do nothing. But it is certainly not those who find the great forces of industrial progress in security, liberty, and freedom of

contract who propose to break the continuity of social life by burning the statute book and destroying the constitutional powers of the various branches of administration. Nor do we suppose—if I may speak in their names—that the old laws and the old powers are sufficient for every emergency. Security and liberty are constantly being threatened by new forms of disorder, and new forms of crime demand new penalties.

And further, the growth of knowledge and of industry opens up new possibilities for the beneficial action of the State and the municipalities, and even imposes on them new duties.

Conclusion

But herein lies the difference. When the whole course of history shows that the recognised functions of the State are more than sufficient for the limited capacities of governments, we protest against the assumption of burdens which long ago they have been forced to throw aside—the direction of capital, the management of land, and the regulation of wages.

Let me again invite your attention to the permanence of the individual type, taking the average of a nation, relatively to the tremendous changes that take place in a comparatively short period, measured by historical and not geological time, in industrial organisation and productive power. The feelings and passions are renewed with

every generation; even the intellectual capacities remain as limited as the physical powers; in other words, it is only knowledge that is accumulated, and not reason that is sharpened.

It follows, then, that any scheme of government, any proposal for revolution which really assumes that the human nature of the governed and that the capacities of the governors have suddenly changed indefinitely, is pre-doomed to failure.

And that is the vital mistake of socialism; for it is only possible on the assumption that the masses of the people suddenly become *by nature* infinitely more disinterested, and those placed in authority infinitely more wise and prudent.

The root of socialism is to be found in a false scientific method, and unless the

method be exposed and the root destroyed, it is useless to cut off the leaves and branches; they will spring up again in a day under the heat of imagination and enthusiasm. The falseness of the method lies in the neglect of the actual industrial development of mankind. It is true that the socialists refer to history, but it is that kind of history which consists in the search for illustrations of preconceived opinions and ideas. It is precisely analogous to the history which supported the theory of a social compact. The philosophers of the eighteenth century professed to explain the nature of political societies by asserting that on an early day, in a far-off place, the people had made a general agreement with one another; in the interests of peace and prosperity they had contracted themselves

out of certain natural rights and agreed to submit to Government. The only history brought forward in support of this theory was a species of natural history; it seemed natural that men should have made such a contract, and therefore they did make it. But as soon as history, founded on actual facts, was applied to this theory it became so nebulous and confused that the difficulty was to put it in a form that would admit of disproof; even to comprehend it was like grasping a mist with the hands.

The socialism of the nineteenth century has taken the place of the social contract of the eighteenth, with this difference, that it seeks to foretell the future instead of explaining the past. The socialists suppose that at some indefinite time the people will again meet in a national assembly and tear

up the old contract, and frame a new one according to the principles of natural justice. The attempt may be made, as it was a hundred years ago, but that it will succeed is against the teaching of history. The social contract of the future is as nebulous and unreal as the social contract of the past. Not that the ideal must be altogether limited by the real, for that would be to destroy all progress; but you cannot place a great gulf between the past and the future, for that would be to destroy the present, and you cannot build up an ideal that will endure except on the foundations of the real.

THE END

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BY

J. SHIELD NICHOLSON, M.A., D.Sc.
Professor of Political Economy in the University of Edinburgh.

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